Americans and is the sort of Englishman who can talk bluntly to them without offence.

The present agitation in the minds of the public here over the enormous sums which the Allies and particularly England require must have been foreseen by Colonel House, who always sees three months ahead.

The subject of the loans to the Allies and particularly those to England is being given much space by current newspapers.

It was obviously foreseen by House that the only Englishman who could succeed would be someone popular with Americans.

I am sure I shall have Balfour's support for stating that the personal equation is everything in this country. The presence of the Lord Chief Justice will give pleasure in America. I hope very much that his very difficult work will not be hampered by blunders in England.[35]

Our American loans and purchases

The financial problem which had arisen in our relation? with America can be briefly summarised.

Statistics of During the period between the outbreak of the Great War and America's entry in April, 1917, Britain had carried out very extensive purchases in the States, of food, munitions and other war supplies needed by herself and her Allies. These had been paid for in part by British exports, in part by exports of gold, of which we sent £190,000,000 to America before 1st April,

1917, in part by mobilising American securities held in this country and sending them to the States.

Altogether in the course of the War we sent gold and securities to America totalling £600,000,000 in value. When these ran out, we arranged to borrow money